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RR RUEHWEB

DE RUEHBU #1906 2362041
ZNR UUUUU ZZH
R 242041Z AUG 06
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC 5667
INFO RUEHBR/AMEMBASSY BRASILIA 5453
RHEBAAA/DOE WASHDC
RUEANFA/NRC WASHDC
RUEHUNV/USMISSION UNVIE VIENNA 0147

UNCLAS BUENOS AIRES 001906

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SENSITIVE

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STATE FOR WHA/BSC AND ISN/NESS
DOE FOR HE-1 AND HE-23
NRC FOR OIP AND COMMISSIONER MERRIFIELD

E.O. 12958: N/A

TAGS: KNNP ENRG IAEA OTRA PREL ECON AR

SUBJECT: ARGENTINA CONFIRMS PLANS TO EXPAND NUCLEAR POWER PROGRAM

REF: A. BUENOS AIRES 1888

1B. BUENOS AIRES 01227 AND PREVIOUS

11. (U) This message is sensitive but unclassified, and not for Internet distribution.

12. (U) President Nestor Kirchner presided over a ceremony August 23 at which Planning Minister Julio De Vido announced that Argentina was going to expand its nuclear power program and reactivate a dormant uranium enrichment facility. The announcement, which had been expected (Ref A), described four pillars upon which Argentina's enhanced nuclear energy capabilities would rest. To wit: The GOA plans to finish construction of the approximately 700MW Atucha II nuclear reactor in Buenos Aires province; start design and feasibility studies on a possible fourth reactor (Argentina currently has two functional nuclear power plants); extend the life of the Embalse reactor in Cordoba Province, which had been scheduled to cease operations in 2011; and reopen a uranium enrichment facility in the town of Pilcaniyeu. De Vido also said that the GOA would resume production of heavy water at a plant in Neuquen Province, with a goal of producing 600 tons in three years.

13. (U) Conspicuously absent from De Vido's announcement was any mention of Argentina signing an Additional Protocol to the NPT (Ref A). De Vido took pains, however, to reassure the audience that the Argentine nuclear program's designs were wholly peaceful, that it would be totally transparent, and that it would operate under strict IAEA safeguards.

14. (SBU) A less-widely commented upon aspect of the GOA announcement was the revelation that Argentine nuclear engineers had arrived at a proprietary, self-contained design for a nuclear power plant. The design shown to the public was listed as producing an output of only 25MW, but on August 24 GOA Secretary of Science and Technology Tullio del Bono told Emboff that the design can easily be modified to generate 100MW to 300MW of power. Del Bono explained that Argentina was pinning its export hopes on the new design, which it calls CAREM. The idea is that the CAREM design will find its niche in a nuclear power plant market that has a dearth of mid-sized competition. Argentina hopes to sell the design as a power solution for isolated areas that are not part of a larger power grid.

MATERA